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Testimony of
Teresa C. Younger
Executive Director
The Permanent Commission on the Status of Women
Before the
Labor and Public Employees Committee
February 28, 2012

Re: H.B. 5199, AAC Discriminatory Hiring Practices and Unemployed Individuals H.B. 5291, AA Increasing the Minimum Wage, Removing the Minimum Wage Tip Credit, and Increasing Penalties for Failure to Pay Minimum Wage

Senators Prague and Guglielmo, Representatives Zalaski and Rigby, and members of the committee, thank you for this opportunity to provide testimony on behalf of the Permanent Commission on the Status of Women (PCSW) regarding H.B. 5199 and H.B. 5291.

H.B. 5291, AA Increasing the Minimum Wage, Removing the Minimum Wage Tip Credit, and Increasing Penalties for Failure to Pay Minimum Wage

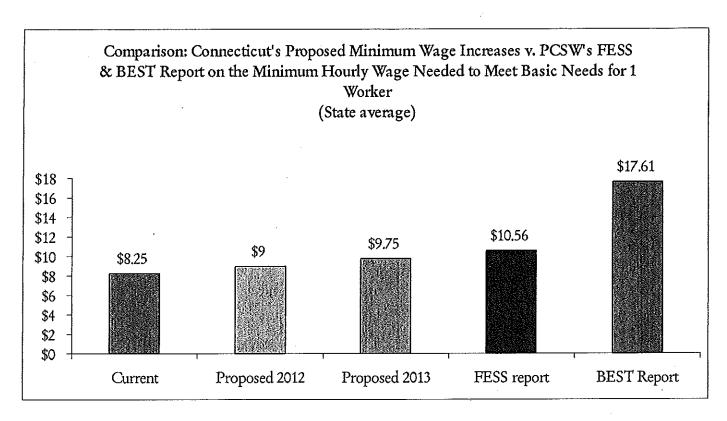
The PCSW supports an increase in minimum wage, and the concept of indexing so that workers can feel confident that their wages will keep pace with the real cost of living without legislative action every year.

Since the minimum wage rarely registers as a viable number to determine the cost of living in an expensive state such as Connecticut, PCSW has contracted with researchers to develop two reports that more accurately report what is needed to be self-sufficient in Connecticut. These reports are the Family Economic Self Sufficiency Standard (FESS), which calculates a working family needs to meet basic expenses; and the Basic Economic Standards Table (BEST), which calculates a working family basic expenses plus savings. Both of these reports measure the true cost of living by region and family size in the state of Connecticut.

Impact on CT Worren: The current minimum wage is \$8.25 per hour, which leads to an annual income for a full-time worker of approximately \$17,499 per year. This leaves a full time worker very close to the federal poverty level for a family of three, and well below the FESS and BEST standards. According to PCSW's research, a person living in Connecticut needs to make \$10.56/hour to meet their basic needs and \$17.61/hour to meet their basic needs and have a modest amount of emergency savings.

<sup>&</sup>lt;sup>1</sup> Diana Pearce. The Real Cost of Living in 2005: The Self-Sufficiency Standard for Connecticut, Office of Workforce Competitiveness, State of Connecticut, 2005. Values inflated to 2008 using Department of Labor Consumer Price Index (CPI).

PCSW Basic Economic Standards Table Report – Release Date: March/April 2012
18-20 Trinity St., Hartford, CT 06106 = phone: 860/240-8300 = fax: 860/240-8314 = email: pcsw@cga.ct.gov = web: www.cga.ct.gov/pcsw



Increasing the minimum wage will assist all families in remaining self-sufficient, but it will significantly impact women because 33.5% of Connecticut women ages 16+ earn a wage of \$17,499 a year or less, as compared to 24.3% of Connecticut men in this same population. Nationally, of hourly workers making minimum wage or below, 63% are women and 37% are men. Increasing the minimum wage to keep pace with inflation is fair, and it would also have a significant impact on the economic security of women and all low- and moderate-wage workers. If we want workers to succeed, and to be able to support themselves and their families, then we have to create a realistic floor on wages-not one that leaves working adults and their children at or below poverty.

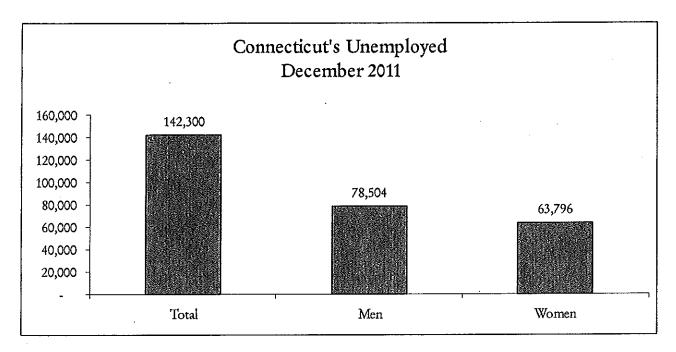
## H.B. 5199, AAC Discriminatory Hiring Practices and Unemployed Individuals

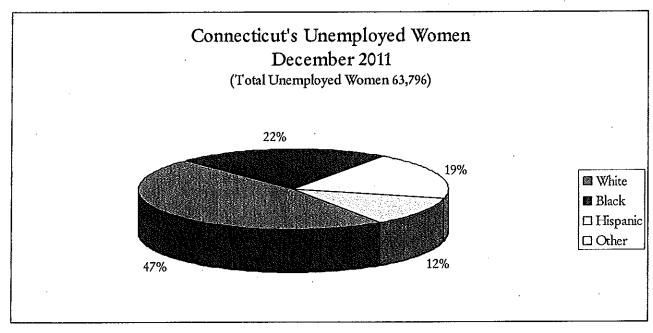
The PCSW also supports efforts to prevent discrimination of unemployed individuals in the hiring process. Unemployment is yet another wage issue that dramatically affects women because 44.8% or 63,796 of Connecticut's unemployed population are women. <sup>5</sup>

<sup>&</sup>lt;sup>3</sup> Calculated by PCSW using the U.S. Census Bureau's American Fact Finder. Sex by Earning in the Past 12 Months (in 2010 inflation adjusted dollars) for the Population 16 Years and Over with Earnings in the Past 12 Months. Data Source: 2010 American Community Survey 1-Year Estimates.

<sup>&</sup>lt;sup>4</sup> Calculated by PCSW using the Bureau of Labor Statistics Characteristics of Minimum Wage Workers in 2010, released February 12, 2011

<sup>&</sup>lt;sup>5</sup> Connecticut Department of Labor. Connecticut Labor Force Data for Affirmative Action Plans, 4th Quarter 2011.





Although workers are slowly regaining employment, women do not fair as well in this economic arena. Nationally, women only regained 17% of the jobs lost, as compared to the 30% that men gained. Ensuring that women are not hindered further through prohibiting employment discrimination would be extremely helpful in women regaining economic self-sufficiency.

We look forward to working with you to address these important issues. Thank you for your consideration.

<sup>&</sup>lt;sup>6</sup> Institute for Women's Policy Research. Is the Recovery Starting for Worrers' Slow Job Growth in October for Both Worren and Men, November 2011.